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SUBJECT: UNRWA STAKEHOLDERS RE-INVIGORATE AGENCY'S ADVISORY COMMISSION AS UNRWA WARNS OF IMMINENT SERVICE DISRUPTIONS

REF: A. 05 AMMAN 646

[1B](#). 04 STATE 179901

[1C](#). 04 AMMAN 5918

[1D](#). 04 GENEVA 1643

[¶11. \(SBU\)](#) SUMMARY: Representatives of 20 governments and observers from the European Commission, the PLO and the Arab League convened in an extraordinary meeting in Amman February 27-28 to re-invigorate the moribund governance structure of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The culmination of a two-year-old donor-driven reform plan, the negotiations were contentious but concluded with agreement that UNRWA's UNGA-mandated Advisory Commission (AdCom) should have broad powers to review UNRWA's new policy initiatives. It also took two steps aimed at giving the AdCom immediate relevance: drafting formal rules of procedure that may give stakeholders some oversight over UNRWA's budgets, and approving a 2006 work-plan that calls on the AdCom to convene in Amman in May to examine the agency's response to political and security developments in Gaza, the West Bank and Lebanon, in addition to reviewing normal service delivery issues. UNRWA's Commissioner-General used this unusual gathering to underscore her commitment to other proposed reforms, including a plan to overhaul the agency's management structure, and to strive to provide services in Gaza and the West Bank "in full and on time." However she warned that UNRWA, which operates on voluntary contributions, is in a precarious financial position that will force it to suspend operations at the end of March. END SUMMARY.

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BRINGING A TWO-YEAR REFORM CAMPAIGN TO A CLOSE  
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[¶12. \(SBU\)](#) The February 27-28 meeting of UNRWA's major stakeholders was the culmination of a two-year old governance reform process initiated by donors (including the U.S.) and Jordan at the high-level international conference Switzerland hosted in 2004 to assess the effectiveness and relevance of UNRWA's operations. In addition to examining UNRWA's service delivery, the meeting looked at UNRWA's governance structures and the chronic budget shortfalls that have resulted from the fractured system of seven separate, and often completely disconnected meetings, that UNRWA uses to solicit stakeholder comments on its programs and budgets.

BACKGROUND ON UNRWA'S OLD GOVERNANCE STRUCTURE  
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[¶13. \(SBU\)](#) The UN established UNRWA 56 years ago to support Palestinian refugees in Jordan, Syria, Lebanon, the West Bank and Gaza who now number 4.2 million. UNRWA is one of the few UN agencies to report directly to the General Assembly. Unlike UNHCR, it does not have an executive committee nor governing board that meets regularly to review programs and budgets. Instead, the UNGA-mandated Fourth Committee Working Group on the Financing of UNRWA and the Fifth Committee's Advisory Committee on Administrative and Budgetary Questions meet annually to review UNRWA's budgets. The Fifth Committee also reviews an annual report that UNRWA's Commissioner General submits to the UNGA, as well as draft resolutions related to UNRWA's mandate and operations, audit findings and any requests the agency makes for additional international staff. However, in recent years, the report of the Working Group on UNRWA Financing has been prepared in advance by UNRWA's External Relations Department, and debate has been limited to marginal changes in its wording. The annual pledging conference UNRWA holds in New York each December is also largely a ceremonial event, as the timing does not match the budget cycles of the agency's largest donors.

[¶14. \(SBU\)](#) UNRWA also convenes meetings in Amman, which with Gaza, is one site of UNRWA's headquarters. For the last ten years, UNRWA has convened its Advisory Commission -- which was created by the UNGA through the same 1949 resolution that created the agency itself -- to "advise and assist" the Commissioner-General, only once a year. The sole exception

was a January 2005 extraordinary session that former ComGen Peter Hansen convened to decide how to respond to a request from Palestinian Authority President Mahmud Abbas (Abu Mazen) to allow UNRWA staff to run as candidates in PA municipal elections (ref A). The AdCom used to offer active policy advice periodically in the 1950s-1980s, but since then it has done little more than endorse the ComGen's own annual report to the General Assembly. Debate on the annual report's contents has been limited largely to how strongly it should criticize Israeli actions in the West Bank and Gaza. In the 1990s, UNRWA also started to convene larger informal meetings of donors who contribute over \$1 million annually to the agency and refugee-hosting governments to respond to stakeholders' demands for greater information on its programs and budgets. UNRWA also holds periodic meetings to highlight urgent humanitarian needs and review technical issues, such as the standards it uses to deliver food aid or rehabilitate refugee housing. While UNRWA has started to review its planning assumptions and draft budgets in these informal meetings, they have offered limited platforms for donors or host governments to make concrete proposals, as they have no legislated mandate or formal reporting system.

#### CHANGES MADE SINCE THE 2004 GENEVA CONFERENCE

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**15.** (SBU) The U.S., Switzerland and Jordan initiated calls at the 2004 Geneva Conference for UNRWA to establish a more formalized method of interaction with its key stakeholders (ref C). UNRWA established a field-based working group to help it develop a governance reform "roadmap" in the fall of 2004. With the active participation of over 20 donors and all of the regional states hosting Palestinian refugees, this "Working Group on Stakeholder Relations" eventually decided to use UNRWA's UNGA-mandated AdCom as the primary vehicle for reform. (NOTE: The refugee hosting governments refused to accept the U.S. proposal to establish a new Executive Committee. END NOTE.). Participants in this process have made concerted efforts to revamp the AdCom over the last year with the support of UNRWA's new Commissioner-General Karen Abu Zayd. To date, these efforts have led the UNGA to approve a significant expansion in AdCom membership, designed to more accurately reflect UNRWA's donor base. (NOTE: In November, the General Assembly invited eight new member states (Australia, Canada, Denmark, Germany, Italy, the Netherlands, Norway, Saudi Arabia, Spain, Sweden, Switzerland) and two new observers (the European Commission and the Arab League) to join existing AdCom members/observers: the U.S., UK, Egypt, Jordan, Lebanon, Syria, Belgium, Japan, Turkey and "Palestine." END NOTE.) UNRWA's senior management and its major stakeholders also agreed on the margins of the UNGA that the expanded AdCom should convene early in 2006 to finally define the powers of the AdCom and develop clear working procedures in line with modern management practices.

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#### RESULTS OF THE FEBRUARY 27-28 NEGOTIATIONS

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**16.** (SBU) The focus of the February 27-28 meeting was to develop an agreed view of the AdCom's "mission," draft the commission's first formal rules of procedures, agree on the modalities of decision-making, and set a work-plan for 2006. The USDEL was lead by PRM/ANE Director Richard Albright and included Amman refcoord Claire Kaneshiro and PRM/ANE Program Officer Liana Brooks-Rubin. At the outset, host countries (Jordan, Lebanon and Syria but particularly the latter two), joined by Spain, voiced their suspicion that donors were colluding to commission reports critical of host country treatment of Palestinian refugees, or to push for policies that might place additional financial burdens on them. However, the atmosphere became more constructive as delegates took pains to point out that donors and host nations were both working to improve Palestinian refugee living conditions, and that competing demands for humanitarian funding and accountability requirements meant that donors are faced with the annual task of justifying our contributions on the basis of UNRWA's performance and transparency. Delegates also found common ground in their shared frustration over UNRWA's bureaucracy. Canada, Jordan, Italy and Syria, for example, made similar highly critical and animated interventions to protest the agency's refusal to meet stakeholders' request for ample lead time to review critical working documents, such as the ComGen's annual report to the General Assembly.

**17.** (SBU) Debate on the AdCom's role consumed almost the first full day; consensus was finally reached after Lebanon, the AdCom Chair, suggested that a small group of delegations including the U.S. leave the plenary to draft a "mission statement." The text, adopted by consensus as a preamble to a new rules of procedure (full text at para. 10), preserves broad rights to review substantive program, budget and policy issues. The expanded AdCom also made significant progress developing other procedures to allow the Commission to review

substantive topics, but there was protracted and contentious discussion over the modality of decision-making and the right of smaller groups of AdCom members to commission studies. These forced the meeting to adopt a provisional draft rules with bracketed text that will have to re-visited at the next AdCom session, which the agency notionally agreed to schedule in May at the urging of incoming AdCom Chair (the Netherlands) and the U.S. The AdCom also approved a 2006 work-plan that should allow UNRWA stakeholders to examine the agency's response to political developments in Gaza, the West Bank and Lebanon in May, and review UNRWA's program and budget at key points in the agency's planning cycle as well as that of the UNGA Fourth and Fifth Committees.

#### THE OUTSTANDING ISSUES

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**18.** (SBU) When the AdCom reconvenes in May, it will have to determine how the commission establishes subsidiary bodies and authorizes special reports. There was broad consensus in the February 27-28 session that standing subcommittees should be established to start reviewing key aspects of the agency's normal work cycle, such as the development of UNRWA's biannual budgets. However, the US, supported by the UK, requested that the AdCom also establish procedures that would allow a limited number of commission members to form ad hoc subcommittees to study time-sensitive issues or facilitate discussion on topics of limited interest to the whole committee, such as harmonized performance indicators. However, the host governments, with the strong support of Spain and Sweden, insisted that such studies should only be initiated after securing the consensus of the whole commission. Members were close to agreement on a compromise "non-objection" arrangement that would have allowed subcommittees and/or reports to be established by small groups of commission members after the AdCom Chair had confirmed they were within the AdCom's UNGA mandate and not detrimental to the national interests of any commission member, but lack of time precluded the commission from adopting this mechanism.

The AdCom also agreed to re-visit two additional points by 2009:

-- MODALITIES OF DECISION-MAKING: Most donors, with the exception of Sweden and Spain, favored establishing a voting system to be used in extraordinary situations where consensus could not be reached. However, host governments vigorously opposed this idea. After considerable and often animated discussion on the need to preserve the principle of consensus in international fora, delegates agreed to submit advice to the ComGen in the form of a report containing clear recommendations that highlight any areas of disagreement. However, the AdCom was deadlocked over the mechanism to change the AdCom's own rules of procedures, as the host governments insisted that the principle of consensus be maintained. The Canadian delegation broke the impasse by proposing that the principle of consensus be used for a provisional two-year period.

-- FORMAL OVERSIGHT ROLE FOR ADCOM: At the request of UNRWA's ComGen, the AdCom also agreed to defer discussion on a USG proposal to allow the ComGen to invite AdCom members to sit as external members of the agency's audit and inspection committee to respond to a July 2004 recommendation the UN Board of Auditors made in made to increase the transparency of that body (A/59/5/Add.3 in the official records of the General Assembly's 59th Session) to a later session in 2006, after the ComGen explained that the UN Board of Auditors had subsequently clarified in communications with the agency that this recommendation was a request to appoint external auditors who could increase the Audit Committee's expertise.

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#### COMGEN WARNS CASH SHORTFALLS WILL LEAD TO SERVICE BREAKS

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**19.** (SBU) Commissioner-General Karen Abu Zayd used this extraordinary AdCom meeting to underscore her personal commitment to other reform processes, including a donor-driven plan to start overhauling the agency's management structure. While discussion of political events was left to corridor discussions (septel), she briefly noted the impact that recent deterioration in security conditions in Gaza and the West Bank and political developments were having on the agency. While noting that the increase in movement restrictions were affecting the agency's Palestinian staff, she assured the AdCom that the agency had successfully maintained planned services to date, adding that UNRWA intended to "continue to provide all services within its mandate in full and on time." However, she warned that UNRWA, which operates entirely on voluntary contributions, is in a precarious financial situation due to poor donor response to appeals to support its normal operating budget and its extensive emergency programs in Gaza and the West

Bank. Without an immediate response, Abu Zayd predicted that the agency would be forced to "start suspending operations at the end of March."

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ADCOM RULES OF PROCEDURE PROVISIONALLY ADOPTED FEBRUARY 28  
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110. (SBU) BEGIN TEXT:

(Working Draft of 28/2, 1900hrs)

Preamble

As initially established under UNGA Resolution 302 (IV) of 8 December 1949, the purpose of the Advisory Commission of UNRWA is to advise and assist the Commissioner-General in the execution of the programme. The work of UNRWA and the Advisory Commission is guided by the UN General Assembly resolutions concerning Palestine refugees.

As subsequently elaborated, and to promote good practice in line with UN directives, the Advisory Commission will advise and assist the Commissioner-General on UNRWA's planning, implementation and evaluation of its programmes for the benefit of Palestine refugees. With the objective of exercising its mandate, the Advisory Commission shall discuss important operational issues, such as items pertaining to the strategic planning, budget, the apportionment of funds among projects, proposed changes in previously approved plans and current operations, and the Commissioner-General's Annual Report to the UN General Assembly. These will be discussed in a timely manner corresponding to UNRWA's schedule and the work cycle of the General Assembly. As specified in these Rules of Procedure, the Advisory Commission may, in consultation with the Commissioner-General, also respond to extraordinary developments affecting Palestine refugees related to the work of the Agency.

The Advisory Commission will strive to undertake its work by consensus and in a transparent manner that promotes the principles of partnership. In that spirit, the Commissioner-General will strive to keep the Advisory Commission informed of developments affecting the Agency. Likewise, the Commissioner-General, with the support of the Advisory Commission, will inform the Agency's informal stakeholder bodies of its main conclusions and recommendations.

I. Sessions

a. Annual Session

i. The Commission shall convene in an Annual Session, in the autumn of each year, to consider inter alia the Commissioner-General's Annual Report prior to its submission to the UN General Assembly.

b. Regular Sessions

i. The Commission shall meet in one or more Regular Sessions between the Annual Session, at times determined in the annual Calendar of Meetings of the Commission, and in line with the reporting and annual work cycle of UNRWA and the General Assembly.

c. Extraordinary Sessions

i. An Extraordinary Session may be convened in order to discuss urgent business, at the request of:  
The Commissioner-General;  
The Bureau; or  
At least three Members.

d. Place of Meetings

i. Annual and Regular Sessions of the Commission will ordinarily take place in Amman, Jordan. With the approval of the Advisory Commission, sessions may be convened under exceptional circumstances in other locations.

ii. If the Session takes place at a location away from the Headquarters of the Agency, the Government responsible for hosting the meeting will be responsible for additional costs incurred by the Agency in consequence.

e. Notification of Sessions

i. The Secretariat shall convey to the members the date, place and provisional agenda of each Regular Session (at least six weeks) before the commencement of each session.

II. Agenda

a. With the objective of exercising its mandate of advising and assisting the Commissioner-General in the most effective manner, the Advisory Commission may discuss agenda items pertaining the budget, the apportionment of funds among projects and the annual report in a timely manner corresponding to the UNRWA schedule and its submission of the budget and annual report to the General Assembly.

- b. Adoption of the Annual Work Plan
  - i. At the final Regular Session of each calendar year, the Commission shall adopt an annual Work Plan and Calendar of Meetings for the following year, in coordination with the Commissioner General. The Calendar shall be synchronized with the annual and biennial work cycles of UNRWA, the UN's consolidated annual calendar of meetings, and statutory reporting requirements of the Agency.
    - ii. The annual Work Plan shall be prepared by the Secretariat under the direction of the Bureau.

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- iii. The annual Work Plan shall monitor and measure performance.

c. Adoption of the Agenda

- i. A Provisional Agenda for each Regular and Extraordinary Session shall be prepared by the Secretariat under the direction of the Bureau, including proposals made by the Commissioner General.
  - ii. The Agenda shall be adopted at the beginning of each session.

**III. Submission of Reports**

a. Annual Report

- i. The Commissioner-General shall submit his or her Annual Report to the General Assembly in advance to the Commission, for its consideration;
  - ii. After reviewing the Annual Report, the Commission shall forward it to the Commissioner General for onward transmission to the UN General Assembly accompanied by a Letter from the Chair.
  - (alt.) Before submitting his or her Annual Report on the work of the Agency to the UN General Assembly, the Commissioner General forwards it to the Advisory Commission, for its consideration
  - iii. The Advisory Commission agrees on the letter directed to the Commissioner General which comments on the Annual Report and the work of the Agency. The letter is attached to the Annual Report when submitted to the General Assembly.

b. Other Reports

- i. (On the request of the Commissioner-General, and with the approval of the Bureau) (On the request of the Bureau), other reports from UNRWA, other UN Member States, Specialized Agencies or Inter-Governmental Organizations may be submitted to the Commission (for its consideration) (for information).

**IV. Documentation and Languages**

a. Official languages

- ii. Official languages of the Commission and its Subsidiary Bodies for oral proceedings and written documentation shall be Arabic, English and French;
  - iii. Documentation related to items on the Provisional Agenda of each Regular Session shall be available to Commission members and observers in all three languages four weeks prior to the meeting.
  - iv. Issuance of reports of the Commission. The Commissioner General, with the support of the Advisory Commission, will brief the Hosts and Donors Meeting on the outcome of its proceedings.

**V. Agreed Conclusions**

- a. Acknowledging the advisory and assisting character of the Advisory Commission, the Commission shall endeavour to reach clear conclusions through consensus on substantive and organizational matters.

- b. In the event of significant differences on substantive advice, the Summary Record of the Session shall provide a full account of all views. The Summary Record shall not exceed 15 pages in length, single-spaced, and shall be circulated to Members and Observers, for comments on accuracy within one month of the meeting.

**VI. Representation**

- a. The names of representatives, alternate representatives and advisers shall be submitted to the Secretariat, if possible, no less than 10 days before the session they are to attend.

- b. The Secretariat shall circulate the list of participants ahead of the meeting.

**VII. Officers and Bureau**

- a. Officers of the Commission will consist of a Chair, and a Vice-Chair. Together the two office holders constitute the Bureau;

- b. The Bureau serves as the link between the Advisory

Commission and UNRWA, to promote dialogue and common understanding of issues facing the Commission. It will direct the Secretariat, inter alia, in the preparation and organization of Commission Sessions;

- c. The Bureau provides general direction on the implementation of the Commission's annual Work Plan and facilitates transparent decision-making;
- d. The Chair and Vice-Chair will each hold office for twelve-month terms, commencing on 1 July. To ensure continuity, the Vice-Chair will become Chair in the subsequent year;
- e. The Chair and Vice Chair will be rotated between Members in the alphabetical order of the country's name, in the English language, alternating between hosts and donors for each position;
- f. If the Chair is the representative of a Palestine refugee host country, the Vice-Chair shall be a representative of a donor country, and vice-versa;

#### VIII. Secretariat

- a. UNRWA shall provide the Secretariat of the Commission;
- b. The Commissioner-General will designate a member of the Secretariat to serve as the Secretary of the Commission;

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- c. The responsibilities of the Secretariat will be to assist in arranging meetings and ensuring the smooth conduct of the Commission's meetings, to provide background documentation in advance of meetings, and prepare reports on these meetings.

#### IX. Conduct of Business

- a. The presence of a quorum is required for the convening of Regular, Annual and Extraordinary Sessions of the Commission;
- b. A quorum shall consist of a double majority of Members, both hosts and donors;
- c. Proceedings of the Commission shall be conducted in private;
- d. The Commissioner-General or a member of the Agency designated by him or her as a representative may, at any time, make either oral or written statements to the Advisory Commission or any of its Subsidiary Bodies.
- e. The Chairman shall declare the opening and closing of each meeting of the Commission, shall direct the discussion in line with the agreed agenda, ensure observance of these rules, accord the right to speak and announce decisions.
- f. Subject to these rules, the Chairman shall have complete control over the proceedings of the Commission and over the maintenance of order at its meetings. He or she shall rule on points of order, which shall take precedence over substantive business. He or she may propose to the Commission the closure of the list of speakers, a limitation on the time to be allowed to speakers and on the number of times the representatives of each Member or Observer may speak on an item of the debate, and the suspension or adjournment of a meeting.

#### X. Subsidiary Bodies

The Commission may form subsidiary bodies, such as Standing Committees. (The Commission will study the possibility of establishing ad hoc Working Groups at a future date.) Ad hoc Working Groups may also be formed (by Members) (in coordination with the Bureau). These bodies report back to the full Advisory Commission.

- a. Standing Committees
  - i. Standing Committees need to be established with the consensus of the full Advisory Commission. These are Committees of the Whole, in which all Members and Observers may participate.
  - ii. A Standing Committee shall execute its mandate as set by the Advisory Commission
  - iii. A Standing Committee shall serve for a period decided upon by the Advisory Commission
- b. Ad Hoc Working Groups
  - iv. An ad hoc Working Group, limited in scope and duration, may be proposed by a minimum of five Members and/or Observers to examine issues related to the annual Work Plan of the Advisory Commission or other extraordinary topics related to UNRWA's work.
  - v. The formation of an ad hoc Working Group is made in prior coordination with the Bureau. The Bureau will ensure that the Working Group is not in conflict with the interests of nor

opposed by any Member or Observer, (according to the assessment of the latter) and that the scope of its work is consistent with the mandate of the Advisory Commission.  
vi. Following formation of an Ad hoc Working Group, Members and Observers of the Commission will be informed.  
Participation is open to any Member and/or Observer.

c. The rules of procedure of the Advisory Commission shall apply to the proceedings of its subsidiary bodies, in so far as they are applicable.

#### XI. Consultations on Commissioner-General Nomination

a. When the UN Secretary General requests to consult with the Commission regarding a nominee for UNRWA Commissioner-General, the Chair will consult with Members and Observers, and draft a letter of reply to the Secretary General giving consensus views.

b. If necessary, an Extraordinary Session may be held to discuss the matter.

#### XII. Participation of Non-Members

Further to the decision of the UN General Assembly (reference number) of December 2005,

- i. Palestine shall be invited to attend and fully participate in the meetings of the Advisory Commission, as an Observer;
- ii. The European Community shall be invited to attend the meetings of the Advisory Commission;
- iii. The League of Arab States shall be invited to attend the Advisory Commission as an observer.
- iv. Observers shall enjoy all the rights and privileges accorded to them by UNGA practice.

#### XIV. Amendments

Amendments to or suspension of these Rules of Procedure can be effected through consensus. This clause will be provisionally adopted for two years after adoption of these Rules of Procedure.

#### XV. Interpretation of the Rules of Procedure

The Rules of Procedure of the Advisory Commission should be in line with UNGA Resolution 302 (IV) of 8 December 1949. In case of any conflict in the interpretation of the Rules the Resolution itself shall prevail.

END TEXT.

HALE